

NOV 25 2020

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISIONPETER A. MOORE, JR., CLERK
US DISTRICT COURT, EDNC
BY CP DEP CLKNo. 5:20-CR-524-BR

UNITED STATES OF AMERICA)

v.)

LAKISHA VICTORIA MCDUGALD)
_____)CRIMINAL INFORMATION

The United States Attorney charges:

INTRODUCTION

At all times material to this Criminal Information:

1. The Supplemental Nutrition Assistance Program ("SNAP"), formerly known as the Food Stamp Program, was a federally funded, national benefits program established by the United States government to help qualifying individuals and families buy food.

2. In most states, including the State of North Carolina, SNAP benefits were provided to recipients on plastic, rechargeable Electronic Benefits Transfer ("EBT") cards. Each North Carolina SNAP recipient's EBT card contained an embedded magnetic stripe that stored account information necessary to conduct food purchases, similar to a debit card.

3. The EBT card accounts of recipients were credited on a monthly basis with a certain dollar amount of federal SNAP benefits, to be used by the recipient to buy eligible food items. EBT cards and SNAP benefits could not be exchanged or redeemed for cash, and these benefits were non-transferrable.

4. The United States Department of Agriculture (“USDA”) administered SNAP through the Food and Nutrition Service (“FNS”), a federal agency. FNS’s responsibilities included providing federal funds to state governments, including the State of North Carolina, which then distributed the money to qualifying individuals and families to purchase food.

5. Social service agencies from each state shared responsibility with FNS for administering SNAP benefits, by authorizing and revoking distribution of those benefits to individual SNAP recipients. In the State of North Carolina, SNAP benefits were managed by the North Carolina Department of Health and Human Services, Division of Social Services (“DSS”).

6. The NC FAST system was a statewide computer database solution that facilitated the management of DSS benefits and services (*e.g.*, SNAP and Medicaid) at the county level.

7. Fidelity Information Services (“FIS”) was awarded the network contract for North Carolina’s EBT system for SNAP benefits. Among other functions, FIS issued original and replacement EBT cards to recipients. FIS also processed SNAP purchases made with EBT cards at retail stores (for example, FIS authorized the transaction and deducted the purchase amount from the recipient’s available balance).

8. The defendant, LAKISHA VICTORIA MCDOUGALD (“MCDOUGALD”), was an income maintenance caseworker with the Harnett County Department of Social Services from 2014 to 2019. In this capacity,

MCDOUGALD was responsible for, among other things, interviewing applicants and determining their eligibility for SNAP and other income-based programs in Harnett County by utilizing the NC FAST system.

The Scheme

9. Using her position and privileges as a Harnett County DSS worker, MCDOUGALD unlawfully accessed the SNAP accounts of individuals who were no longer eligible to receive such benefits in North Carolina (hereinafter, "victims").

10. Among other aspects of the scheme, MCDOUGALD used the NC FAST system to change victim addresses on file with DSS to her home address. MCDOUGALD, in turn, caused victim EBT cards to be issued by FIS and delivered to her home address.

11. MCDOUGALD also added false dependents to the victim accounts in an effort to increase the monthly SNAP allowance per card.

12. After receiving the EBT cards, MCDOUGALD converted the government funds on the cards for her own benefit, including providing the cards to other individuals for their use, in exchange for a cash fee, and personally making purchases. In total, MCDOUGALD embezzled more than \$200,000 in SNAP benefits.

COUNT ONE

13. The allegations in paragraphs 1 through 12 are re-alleged and incorporated as though fully set forth herein.

14. Beginning no later than in or about May 2014, and continuing thereafter until in or about June 2019, both dates being approximate and inclusive, in the Eastern District of North Carolina, the defendant,

LAKISHA VICTORIA MCDOUGALD

knowingly and willfully embezzled, stole, purloined, and converted to her own use, federal funds of the United States, that is, SNAP funds of the United States Department of Agriculture, with an aggregate value of more than \$1,000.

All in violation of Title 18, United States Code, Section 641.

FORFEITURE NOTICE

Upon conviction of the offense alleged in this Indictment, the defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), as made applicable by Title 28, United States Code, section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to said offense.

The forfeitable property includes, but is not limited to, the following:

Forfeiture Money Judgment:

(a) A sum of money representing the gross proceeds traceable to the commission of the offense personally obtained by the defendant in the amount of at least \$233,913.

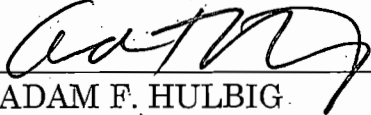
If any of the above-described forfeitable property, as a result of any act or omission of the defendant,

(1) cannot be located upon the exercise of due diligence;

- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

ROBERT J. HIGDON, JR.
United States Attorney


ADAM F. HULBIG
Assistant United States Attorney
Criminal Division

Date: 11/24/20